

Senate Bill No. 516

CHAPTER 551

An act to amend Section 10003 of, and to add Section 10006 to the Unemployment Insurance Code, relating to employment services.

[Approved by Governor September 28, 1999. Filed
with Secretary of State September 28, 1999.]

LEGISLATIVE COUNSEL'S DIGEST

SB 516, Haynes. Needy families: job training.

Existing law implements federal welfare-to-work grant program provisions provided pursuant to the federal Balanced Budget Act of 1997 (P.L. 105-33). Existing law requires the Employment Development Department to distribute 85% of these federal grant funds to private industry councils or alternate local administrative entities designated by the Governor, as specified, and to distribute the remaining 15% of these federal funds, at the direction of the Governor, to state and local projects that will assist in moving eligible program participants into unsubsidized employment.

Existing law requires that those remaining 15% of federal funds be distributed to employers, private nonprofit organizations, and for-profit and public entities, and that proposals submitted for state and local projects include, at a minimum, comments by the local private industry council or alternate local administrative entity, and the county welfare department, for a stated purpose.

This bill would delete the references to "at a minimum" in the requirement that proposals submitted for state and local projects include comments by the local private industry council or alternate local administrative entity, and the county welfare department, and would provide for an exception to that requirement if one of those entities is an applicant for grants under those provisions.

This bill would require the Employment Development Department and the State Department of Social Services, for purposes of fully implementing this program and the CalWORKs program, to initiate, by July 1, 2000, the adoption of regulations interpreting a specified provision of federal law regarding state options in connection with the provision of welfare services by charitable, religious, or private organizations.

The people of the State of California do enact as follows:

SECTION 1. Section 10003 of the Unemployment Insurance Code is amended to read:

10003. (a) Subject to subdivision (d), the department shall distribute 85 percent of the federal welfare-to-work grant funds to private industry councils or alternate local administrative entities designated by the Governor, according to the variables defined in the federal welfare-to-work program, and consistent with the following formula:

(1) A weight of 55 percent shall be given based on the relative number, as determined pursuant to federal law, by which the population in the area below the poverty line exceeds 7.5 percent of the total population.

(2) A weight of 30 percent shall be based upon the relative number of adults residing in the plan's service area who are receiving assistance under a state program funded in part through the federal Temporary Assistance for Needy Families grant program or the federal Aid to Families with Dependent Children Program for at least 30 months.

(3) A weight of 15 percent shall be based upon the relative number, as determined pursuant to federal law, of unemployed individuals residing in the plan's service area.

(b) Changes in the allocation formula established pursuant to subdivision (a) that may be needed for subsequent fiscal years may be implemented by the department only after public hearings have been conducted regarding the proposed changes. Any change in that allocation formula may be implemented not sooner than 30 days after notification in writing to the chairperson of the committee in each house of the Legislature that considers appropriations, the chairpersons of the appropriate committees and subcommittees in each house of the Legislature that considers the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee or his or her designee, may in each instance determine.

(c) Subject to subdivision (d), the department, at the direction of the Governor, shall distribute the remaining 15 percent of federal welfare-to-work grant funds, less the amount necessary to administer the program, to state and local projects that will assist in moving eligible participants into unsubsidized employment. The Governor shall take into special consideration the needs of rural areas in distributing funds under this subdivision. Funds allocated pursuant to this subdivision shall be distributed to employers, private nonprofit organizations, and for-profit and public entities. Payments of these funds shall be contingent upon performance outcomes. Proposals submitted for state and local projects shall include comments by the local private industry council or alternate local administrative entity, and the county welfare department, except in cases where the local private industry council or alternative local administrative entity, or the county welfare department, is an applicant for grants under this

section, to ensure that grants that are approved will be consistent with local plans for moving eligible participants into unsubsidized employment.

(d) Not more than 15 percent of federal welfare-to-work funds may be retained by the department for the cost of state administration of the welfare-to-work program.

SEC. 2. Section 10006 is added to the Unemployment Insurance Code, to read:

10006. For the purposes of fully implementing this program and the CalWORKs program, as established in Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, the Employment Development Department and the State Department of Social Services shall initiate, by July 1, 2000, the adoption of regulations interpreting the “charitable choice,” or state option provisions contained in Section 604a of Title 42 of the United States Code. The regulations shall be consistent with federal law and the Establishment Clause in Amendment 1 of the United States Constitution and in Section 4 of Article I of the California Constitution.

